

**“Japan must mobilize its underutilized strengths!
Towards a reinvented LDP.”**



**Manifesto of Liberal Democratic Party
presidential candidate Yuriko Koike**

Introduction

Today’s Japan has multitudes of untapped potential strengths: the strength of regional areas, economic strength, environmental strength, diplomatic strength, and also the strength of women.

In the current grave state Japan is situated in, we must strategically engage to enable full use of Japan’s underutilized strengths.

To this end, I shall reclaim the dynamism and confidence of Japanese society.

This is my view of ‘reform’.

It is irresponsible to reverse the reforms in pessimism or to despair, paralyzed in anxiety towards the future. Let us proceed forwards. To this end, let us make the most of the fruits of the structural reform we have endured.

The equation for national strength is population, economic vigor, and defense capacity times strategy and the determination to follow through.

Politicians’ strategy and will to follow through are under fire. I pledge to further promote and develop structural and social reform — and a lifestyle revolution — grounded in the knowledge of our civilization. Through political leadership, I shall revitalize Japan borrowing strength drawn from citizens’ trust and empathy.

1. Strength of regional Japan

(1) I shall revitalize regional economies with a focus on agriculture.

The basics of agricultural administration are to expand production and consumption,

making full use of agricultural land and regional characteristics. The necessary policies for this are policies to enable planting and production responsive to regional characteristics, and policies to promote expansion of demand and consumption of domestic agricultural produce.

I shall realize ‘agriculture that earns’ through reforming the Agricultural Land Act, which is based on the doctrine of farmer-owners, and create a legal framework emphasizing utilization of agricultural land, and promote incorporation and regional farm management.

I shall strive to expand the consumption of domestic agricultural produce through enacting a Local Production-Local Consumption Promotion Act, shortening the distance between the place of production and consumption, toward consumption of local produce.

I shall create a system for certification of ‘local produce-local consumption’ producers and implement support measures for persons engaged in local production and local consumption such as planting newly demanded rice varieties through crop rotation such as those for rice flour and processing.

I shall foster new industries using agricultural land, centered upon the 102 trillion yen agriculture and food-related industries, in connection with the 48 trillion yen environment-related industry, 55 trillion yen health, medicine, and welfare-related industries, 22 trillion yen tourism industry, and 9 trillion yen educational services industry.

(2) I shall strive for the promotion of systems rationalization and integration.

With the Government taking the initiative, I shall promote integration and unification of operational systems of incidental departments such as personnel affairs, salary, and accounting, and promote devolution to local/regional government and delegation of the operations themselves to the private sector. Through this, I shall strive towards radical rationalization of government operations and systems, and promotion of regional ICT industry.

(3) I shall draw funding for the environment and social security from road-related tax revenues.

In order to once again secure the foundations for wealth and security in regional communities, I shall ensure that vast amounts of income from road-related tax revenues are utilized not only for the construction of roads and highways, but also for environmental purposes, such as introduction of sunlight and solar thermal power, fuel power generation, geothermal electric power generation, promotion of the cultivation of environment-related industries and the purchase of energy conservation products, a transition to clean energy, and forest maintenance; and for social security purposes, starting with expenditure towards family policies such as costs for medical checkups for pregnant women.

In conjunction, I shall expand public projects for revitalization of the natural environment and reinforcing the earthquake resistance of schools, for environment-related industries such as construction of eco-friendly houses, for social security-related industries, and for agriculture as a developing industry.

(4) I shall strive towards branding regions — departing from the race to the lowest price — based upon safety, security, and high quality.

I shall promote the strategy of branding regions relating to the small and medium-sized businesses, forestry, farming, and fishing industries, and related service industries that support regional economies, and expand the market not only to the nation but also to the world. To that end, I shall also strive towards increasing tourism by revitalizing communities and landscapes. Furthermore, I will link and convey to the world Japan's environmental technology and eco-friendly local lifestyles and culture.

I shall promote disclosure of information on auctions at producing areas to counter false labeling of produce and prevent damage to brands.

(5) I shall emphasize education in regional Japan to empower human capital.

A person lives within a community and judgments and standards of right and wrong do not rest with the individual but to the broader community. In school education, I shall make moral education part of the curriculum with the goal of clarifying standards for unacceptable conduct and duties and responsibilities, with the aim of fostering responsible members of society.

Through privatization and devolution, I shall place former national universities at the centre of efforts for revitalization of regional strength.

I shall promote active discussion with regard to reorganization of the problematic Boards of Education.

I shall strive towards galvanizing small and medium-sized business, which is the mainstay of regional economies.

(6) I shall enable activities for social contribution to constitute a livelihood.

I shall further strengthen support measures under the tax system and afford preferential treatment towards NPOs. On a national and local level, I shall establish and expand systems that enable tax deductions for donations to organizations with a public interest purpose, such as local government, independent administrative corporations, school corporations, social welfare corporations, and NPOs.

I shall enact a 'Heart' Purchase Act providing for Government and local governments to

take the initiative in purchasing goods and services provided by persons with disabilities at social farms.

(7) I shall implement thorough measures for prevention of crime and crime reoccurrence, prioritizing personal safety and security for members of the community.

2. Environmental sustainability

This is an era in which energy shortages and degradation of the global environment can become a catalyst for conflict. Just as England was the cradle of the Industrial Revolution, Japan will become the cradle of the Environmental Revolution. This begins with an affirmation the nation's will. I shall promote the development of new and renewable energies, including measures against global warming. I shall realize a positive feedback loop between the economy and the environment by disseminating Japan's advanced environmental technology to the world.

(1) Targets for global warming countermeasures

As a target for global warming countermeasures, I shall set a provisional goal of 25% reduction in emissions by the year 2020, and an 80% reduction by 2050, to build a sustainable Japan that can lead the fight against global warming, without being hostage to oil prices.

(2) Promotion of energy conversion and energy conservation

I shall promote conversion to alternative energy sources. I shall strive towards diffusion and expansion of current advancements in sunlight and solar energy generation and fuel power generation using revenues from road taxes. I shall also accelerate commercialization of methane hydrate (crystal bodies composed mainly of methane, known as 'burnable ice') of which Japan's coastal waters hold world-leading deposits. I shall also strive towards diffusion of geothermal electric power generation. I shall realize viable solar power generation for cultivation in greenhouses.

Furthermore, for energy conservation, as well as promoting infrastructure building for electric automobiles, I shall implement conspicuous promotion measures such as green number plates for eco-friendly cars.

(3) I shall boldly promote making residences eco-friendly as a policy to stimulate domestic demand for the green economy.

I shall augment the tax system for promotion of conversion to eco-friendly houses through means such as insulation, multilayered glass, sunlight and solar thermal energy generation, fuel energy generation, and geothermal electric power generation.

(4) I shall prioritize public projects to protect citizens from severe rainfall and large-scale earthquakes.

Natural disasters such as severe rainfall accompanying climate change and large-scale earthquakes threaten the lives of citizens. I shall prioritize public projects for the protection of citizens' lives such as maintenance of rivers and reinforcement works for earthquake resistance of schools, which double as evacuation sites in times of need.

(5) I shall enact a Basic Act on Food Security.

Alongside climate change and advancements in the standard of living of emerging nations, in the context of increasing global concerns over food shortages, it is a waste to abandon farming land. If the present farming land is maintained and preserved, it is possible to guarantee the necessary quantity (2000kcal per person per day) necessary for the survival of all citizens in an emergency by converting crops. Therefore, to guarantee 100% self-sufficiency in an emergency, I shall enact a Basic Act on Food Security providing for policies for maintenance and preservation of all farming land, securing a framework for agricultural production in an emergency, and increasing the food supply self-sufficiency rate.

I shall aim for a food supply self-sufficiency rate of 50% by revitalizing abandoned farming land together with the planting of oil-producing crops etc. such as rapeseed and sunflower.

I shall establish a unified system under the Basic Act on Food Security for national land planning and town planning, and for agricultural land, to pass on the national asset of agricultural land to the next generation as national land.

I shall strive towards safe and secure food supply in proximity to the producer and easing the cost of transport and environmental burden through shortening the distance between production and consumption. I shall also make effective use of rice straw and rice husks etc. as biomass and fodder, and utilize food scraps for fodder.

I shall promote the development of second-generation bio-ethanol using cellulose-type materials other than food material such as rice straw, and promote the creation of international rules regarding bio-ethanol.

3. Woman power

Today's Japan is in need of the strengths of women: fortitude, steadfastness, tenacity. Moreover, a society with dynamic women is a society where men are dynamic too.

(1) The heart of family policies is a sense of security regarding the future. I shall drastically strengthen family policies.

I shall realize public support for the costs of childbirth and medical examinations for pregnant women.

I shall promote measures for enabling the compatibility of work and childrearing by supporting in-house childcare facilities and undertaking expansion and promotion of uptake of the childcare leave system, including by men.

I shall promote measures such as making meeting places in shopping districts and other convenient places in the community into childminding facilities, and enabling working mothers to drop off their children before commuting.

The phrase ‘family policies’ has gained currency, but in the context where they are not yet realized, I shall implement immediate measures to further guarantee that if a female doctor gives birth, this shall not mean that the doctor’s patients and the precious women who are due to give birth in the future cannot be guaranteed the necessary medical treatment for the period surrounding childbirth.

(2) I shall guarantee flexible employment and workplace environments.

Upon reaching the executive class stage of the civil service, I shall provisionally retire civil servants and have them transferred to an annual salary system. Through this, I shall enable all persons, including women who have completed childbirth, to have opportunities upon reaching the executive class stage.

I shall promote a shift from seniority-based wages to merit-based remuneration.

I shall create an IT-related tax system for telecommuting and create a market for distribution for those working from home.

(3) Response to anxiety over pensions

With regard to the staff of the Social Insurance Agency, I shall make a thorough reinvestigation and punish those problem staff that should no longer have anything to do with the precious pensions of citizens. Just as at the time of reform of the national railways, I shall not balk from court action. Furthermore, I shall hold former Social Insurance Agency chiefs to account.

To extinguish anxiety over pensions, I shall expand delegation of the duties of certified social insurance and labor consultants to the private sector.

It is necessary to protect citizens’ precious pension funds from the risk of relinquishing them to top-down pension management. I shall abolish the Government Pension Investment Fund (GPIF) and increase the efficiency of pension management by converting to a pension management system enabling individual choice over management in the same way as 401k

plans.

I shall abolish defined benefit pensions across the board. I shall expand income-tax deductions to include ‘number three’ pension insurees — consisting mainly of full-time housewives — and small to medium business operators, and increase the upper limit of tax deductible premiums they pay.

Upon the introduction of social security numbers, I shall implement scrupulous management of pension records. Also, through the introduction of social security numbers, I shall create an environment for the fair payment of income-tax and residential taxes.

Along with national and local taxes, I shall strengthen the collection of pension insurance premiums, unifying collection authority in a Taxes and Public Dues Agency (provisional name). In conjunction, I shall undertake systems integration between social security and tax, based upon social security numbers.

With regard to the pension system, through agreement with the LDP, the DPJ and New Komeito, I shall aim towards a system that will be resilient even if there were a change of administration. I shall seek a return to bipartisan cooperation with the DPJ regarding social security problems.

4. Economic vigor

(1) I will make ‘putting household commonsense into finance’ the basis of financial administration.

I shall economize — I shall cut bureaucratic waste in full view of the people.

I shall not rely on the extravagance of debt — I shall not implement economic policies through increasing issuance of government bonds to cover deficits.

I shall not change the fundraising plan — I shall adhere to 2011 target for fiscal reconstruction.

I shall put savings to use — I shall put to use the fruits of structural reform and the retained earnings of special accounts.

(2) Regarding current economic measures

With regard to the ‘comprehensive emergency measures’, I value highly former Prime Minister Fukuda’s declaration not to issue government bonds to cover deficit and his explicitly stated intent to press on with reform and withstand pressures from multiple directions. I shall continue this stance. In light of the decade of the 1990s, fiscal expenditure through issuing government bonds to cover debt ultimately had no effect and

merely left more debt behind. We must not repeat this mistake.

For necessary funding, I shall review the portion of retained earnings of special accounts used for creating demand through public projects, from the perspective of enhancing economic strength, environmental strength, and women's strength.

Furthermore, I shall establish within the Cabinet Secretariat a 'Headquarters for Measures to Prevent Regulation-Induced Recession' to investigate whether new regulations and administrative guidance may become a cause of regulation-induced recession.

(3) Economic and fiscal management.

As the basis of macroeconomic policy centering upon finance policy I shall undertake policies of tax reduction as needed and not direct fiscal expenditure into individual industries, based on an awareness that creating demand through public projects under a fluctuating market system has no effect.

I believe that if Japan taps its wasted strengths, we have the potential to achieve economic growth above 2.5 to 3 percent. I shall undertake economic growth policy to enable citizens to experience first-hand increases in household and individual incomes. For this, I shall expand export opportunities for small and medium business and extend the engines of global economic growth to Japan's regional economies. I shall bring into being a normal advanced economy with a steady rate of 4% nominal growth. As a result, within 10 years I shall raise Japan's world per capita GDP ranking from 18th to 5th.

I shall attempt to oversee a normal economy with neither shrinking production nor spiraling prices with the Government and the Bank of Japan acting as one.

I shall adhere to targets for putting basic fiscal expenditure in the black for 2011 and before increasing any taxes, I shall undertake rigorous cuts to wasteful expenditure, further cuts to civil service salaries, and sale of government assets. For example, upon the accrual of the necessary funds for social security, I shall guarantee suspension of transfer from general government accounts to the special accounts of the Ministry of Health, Labor, and Welfare.

(4) We must not turn back to a state of debt reliance.

If we turn back now, just steps away from fiscal reconstruction, the pain we have endured through efforts for structural reform shall come to naught. The transfer money and government assets accumulated in special accounts do not belong to the bureaucracy, rather the people, to be used for the people when it is needed. With regard to new necessary sources of finance, before any increase in taxes, I shall guarantee a return to citizens of the fruits of various reforms, such as postal privatization, undertaken since the Koizumi Cabinet (8.2 trillion yen in 'reform dividends' through privatization and over 1 trillion yen from the sale of government assets).

I shall conduct fundamental reform of the Remuneration Act, establish targets for drastic reductions of personnel costs for civil servants, and carry out restructuring of government.

I shall immediately establish the principle of guaranteeing sources of finance through cutting or transferring other expenditures when, upon Government and ruling party budget discussions, new policies are implemented that will lead to increases in expenditure.

(5) Tax reform

I shall comprehensively revise the current petroleum-related tax system and switch to a carbon tax, flowing into general government accounts, corresponding to carbon dioxide emissions.

National tax should be structured on the basis of the national tax principles: capacity-based tax, tax of the person, and graduated tax. Upon introducing a new system of large regional administrative blocs, consumption tax should be devolved to regional governments as the mainstay of tax for regional Japan.

Because the socialization of nursing care of the elderly has progressed, the disparity of assets between the elderly is increasing and, considering that it is undesirable that the next generation inherit this disparity from the perspective of social fairness, I shall allocate inheritance taxes to funding welfare, undertaking a broad but thin tax on assets as appropriate.

From the perspective of galvanizing the economy, we should reform the tax system in line with international standards, such as reducing corporate taxation and abolishing taxation of fund managers. With regard to the corporate tax rate, I shall realize special zones for reduced corporate taxes to promote regional revitalization.

I shall establish a system for restoring revenue to small and medium business in deficit. I shall restore three years of paid corporate taxes to small and medium business that have fallen into the red and increase competitiveness through reforming the tax system for small and medium business in line with international standards.

Furthermore, I will request citizens to bear their share of the burden, only after first calling for the same from politicians and civil servants by cutting the number of representatives and expenditures, and cutting personnel costs for civil servants.

(6) I shall introduce foreign wealth to Japan.

I shall support the promotion of exports by small and medium business and build firm bridges between the developing strength of newly emerging nations and Japan's regional economies.

I shall introduce a system of tax exemptions for business profits gained from foreign-held assets, stimulating their return flow into the domestic economy.

I shall promote a 'nation for sightseeing', increasing the number of foreign visitors to a level that exceeds departing Japanese citizens.

I shall make Japan a centre of 'people, things, and money' in Asia by strengthening the international functionality of airports in all major cities, as well as making Haneda airport operational 24 hours a day.

I shall adhere to government targets of one trillion yen in agriculture, forestry and fisheries exports by 2013.

I shall firmly link foreign profits and stimulation of domestic demand through introducing a system of tax exemptions of foreign profits flowing back into the domestic economy.

To enlarge the definition of national wealth, GNI (GDP + gross income from overseas) should be emphasized rather than GDP.

I shall thoroughly promote English education. In particular, I shall expand elementary school English education in public schools.

I shall privatize the former imperial universities Tokyo University and Kyoto University, and Hitotsubashi University and the Tokyo Institute of Technology (value from sale of shares: 2.3 trillion yen) and ensure that privatized universities are able to respond to global competition in education.

5. Diplomacy

(1) Japan, a nation to be admired.

Japan must become an attractive country to which the people of the world would like to visit. I will develop an economy that can compete on the world stage, while retaining Japan's fine traditions of safety, security, high-quality, and integrity. To this end, I shall enrich education.

I shall secure Japan's leadership in the formation of international order and decision-making on the global stage. I shall also invite international organizations to Japan.

I shall enlarge the mobile population within tourism and business. In particular, I shall increase the entry of tourism and business from Asia's new wealthy class, and promote a relationship of mutual wealth.

I shall promote entry of foreign persons who have studied Japanese language and culture. I shall expand entry of persons seeking political refuge from human rights oppression or political oppression.

(2) Japan, a nation that will not submit to terror or human rights violations.

I shall promote resolution of the abductees problem through strong leadership.

Upon the foundation of an unshakable alliance with the United States, I shall establish a crisis management framework that can respond to diversification of the security environment.

The fight against terror taking place in Afghanistan etc. is a shared fight of the international community. It is improper that Japan only should withdraw. Withdrawing from refueling activities in the most secure waters is an act that will harm Japan's long-term national interest. I shall continue refueling activities in the Indian Ocean.

6. Political leadership (from bureaucracy initiative to political initiative)

The key to restoring vitality to Japan and opening the way to a bright future lies with abandoning the domination of bureaucrats in Kasumi-ga-seki. To this end, reform of the civil service system and administrative reform are the most important agendas.

I shall materialize to the greatest extent possible the spirit of the Basic Act on Civil Service Reform enacted by the previous Parliament such as 'breaking down bureaucracy-led initiative', and 'breaking down vertical ministries' and undertake through political initiative the three areas of 'policymaking', 'personnel deployment', and 'resource distribution'.

(1) I shall appoint a National Strategy Staff of about 100 persons (politically appointed) to Prime Minister and Cabinet to undertake policy planning through political initiative. Furthermore, I shall establish a National Security Council and conduct policy administration centered upon the National Security Council for diplomacy and security, and the Council on Economic and Fiscal Policy for macroeconomic policy administration.

(2) I shall establish a Cabinet Personnel Affairs Bureau and support political initiative from the aspect of personnel affairs. I shall transfer executive staff from each ministry to the Cabinet and conduct personnel deployment across ministries and agencies. I shall combine the personnel affairs, organization, and administration functions of the National Personnel Authority, the Ministry of Internal Affairs and Communications, and the Ministry of Finance, and centralize authority in the Cabinet.

(3) I shall establish a Cabinet Budget Bureau and facilitate political initiative through the budget. I shall conduct budget review, scrupulously eliminating administrative waste and transition to a robust and effective budget management system in line with the private

sector.

(4) I shall immediately prohibit assistance for retiring high-ranking government officials finding employment in private and semi-private corporations and put a stop to this outdated custom.

(5) As the final goal of devolution, I shall realize a state system of large regional administrative blocs. I shall aim towards implementation by the end of 2010 and formulate a basic plan within three years.

I shall devolve 'people', 'resources', and 'authority' to the regions.

I shall distribute the consumption tax primarily to the regions.

I shall cut approximately 200,000 national civil service personnel through promoting devolution according to a reorganization plan for government local branch offices and, in addition, through privatization and delegation to the private sector.

(6) Alongside constitutional revision and the introduction of a state system of large regional administrative blocs, I shall reduce the number of national parliamentary representatives from the current 722 persons to a maximum of 500 persons. With this reduction, I shall aim towards amalgamating the House of Representatives with the House of Councillors to create a unicameral system.